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High-level international intergovernmental consideration of financing for development

Venezuela:* draft resolution

High-level international intergovernmental consideration of financing for development

The General Assembly,

Recalling its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[1] which was adopted on 22 March 2002,

Stressing the importance of staying fully engaged, nationally, regionally and internationally, in order to ensure proper follow-up to the implementation of agreements and commitments reached at the International Conference on Financing for Development, and of continuing to build bridges between development, finance and trade organizations and initiatives, within the framework of the holistic agenda of the Conference,

Recognizing the link between financing for development and attaining internationally agreed development goals and objectives, including those contained in the Millennium Declaration, in measuring development progress and in helping to guide development cooperation priorities, as well as sustained economic growth and sustainable development,

Taking note of the communiqué of the Development Committee of the World Bank dated 28 September 2002, and welcoming in particular the decision of the Committee, in paragraph 10 of the communiqué, in which it requested the World Bank and the International Monetary Fund to prepare a background document to facilitate consideration of pragmatic and innovative ways to further enhance participation of developing countries in the work of both institutions, consistent with

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (E.02.II.A.7).

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the principles of justice, equity, democracy, participation, transparency, accountability and inclusion,

1. *Requests* the Secretary-General, in collaboration with the secretariats of relevant institutional stakeholders, fully utilizing the mechanisms of the United Nations System Chief Executives Board for Coordination, with the effective support of the United Nations Secretariat and building on the successful experience in the preparations for the International Conference on Financing for Development, to prepare a comprehensive report on the implementation and follow-up to commitments and agreements made at the International Conference, focusing on progress achieved under each of the following subtitles:

Mobilizing domestic financial resources for development

- Measures taken by the international community to support efforts to create an enabling environment at the national level, especially through the provision of capacity-building support to developing countries;

Mobilizing international resources for development: foreign direct investment and other private flows

- Measures taken in source countries and by multilateral and regional institutions, including new mechanisms and instruments to facilitate and support private capital flows, including foreign direct investment, to developing countries and their impact;
- Steps taken to encourage good corporate governance;
- Actions by multilateral, regional and subregional development institutions to reinforce financial and technical support to developing countries in order to mitigate the lack of access to private capital and the sharp reduction of international financial flows, as well as to contribute to their efforts to increase economic growth and reduce poverty;

International trade as an engine for development

- Progress achieved in dealing with issues of particular concern to developing countries and countries with economies in transition regarding international trade in order to enhance their capacity to finance development, including: trade barriers, trade-distorting subsidies and other trade-distorting measures, particularly in sectors of special export interest to developing countries, including agriculture; the abuse of anti-dumping measures; technical barriers and sanitary and phytosanitary measures; trade liberalization in labour-intensive manufactures; trade liberalization in agricultural products; trade in services; tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers; the movement of natural persons; the lack of recognition of intellectual property rights for the protection of traditional knowledge and folklore; the transfer of knowledge and technology; the implementation and interpretation of the Agreement on Trade-Related Aspects of Intellectual Property Rights of the World Trade Organization[2] in a manner supportive of

[2] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

public health; and the need for special and differential treatment provisions for developing countries in trade agreements to be made more precise, effective and operational;

- Progress in multilateral assistance to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports and an assessment of the effectiveness of the recent review of the International Monetary Fund Compensatory Financing Facility, as well as progress in empowering developing country commodity producers to insure themselves against risk, including against natural disasters, and in the efforts of multilateral aid agencies to strengthen their support to export diversification programmes in those countries;

- Reasons behind the lack of progress in the implementation of the work programme adopted at the Fourth Ministerial Conference of the World Trade Organization, held at Doha from 9 to 13 November 2001,[3] especially in the areas of agriculture, special and differential treatment, and other implementation issues of concern to developing countries;

- Efforts to facilitate the accession of developing countries to the World Trade Organization on fair and reasonable terms, taking into account the particularities of each country;

- Multilateral efforts to mitigate the consequences of depressed export revenues of countries that still depend heavily on commodity exports;

- Efforts by developed countries towards the goal of duty-free and quota-free access to all markets for all least developed countries' exports, as envisaged in the Programme of Action for the Least Developed Countries for the Decade 2001-2010 adopted at the Third United Nations Conference on the Least Developed Countries, held at Brussels from 14 to 20 May 2001;[4]

Increasing international financial and technical cooperation for development

- Progress towards achieving internationally agreed official development assistance targets, including a breakdown of its sources and procedures;

- Efforts in enhancing efficiency of official development assistance and its delivery, in particular progress in the use of development frameworks that are owned and driven by developing countries as a vehicle for aid delivery;

- Steps taken by the international community towards finding innovative sources of financing for development;

- Steps taken by multilateral institutions to provide adequate financing to countries challenged by poverty;

- Progress in the implementation of unilateral official development assistance commitments announced at the International Conference on Financing for Development;

[3] See A/C.2/56/7, annex.
[4] See A/CONF.191/11.

External debt

- Measures to deal with the slow implementation of the Heavily Indebted Poor Countries Initiative and reasons behind this slow pace of implementation;
- Steps taken to ensure that reviews of debt sustainability should bear in mind the impact of debt relief on progress towards the achievement of the development goals contained in the Millennium Declaration;[5]
- Progress in the review of the computational procedures and assumptions underlying debt sustainability analysis and towards taking into account any worsening global growth prospects and declining terms of trade;
- Measures taken to devise innovative mechanisms to comprehensively address debt problems of developing countries, including middle-income countries;

Addressing Systemic Issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development

- Actions taken by all relevant multilateral institutions to enhance the effective participation of developing countries in decision-making and norm-setting;
- Actions to promote financial stability and to put in place policies and rules that mitigate the impact of financial volatility and improve transparency and information about financial flows;
- Actions by the international financial institutions towards supporting national programmes to concentrate on macroeconomic policies critical to the objectives of those programmes and the extent to which they take into account social circumstances, implementing capacities, the strengthening of national ownership and the need for economic growth and development;
- Support by international financial institutions for countries affected by financial crisis and efforts to ensure that these institutions are provided with adequate resources so that they can supply timely emergency financing;
- Progress made by the international community to prevent the acts of corruption as well as for the return of the illegally acquired funds and assets to the countries of origin, including a progress report on the status of negotiations to finalize the international convention against corruption;
- Progress achieved to enhance the stabilizing role of regional and subregional reserve funds, swap arrangements and similar mechanisms that complement the efforts of international financial institutions;
- Steps taken to arrange a new allocation of special drawing rights in order to enhance financial stability and the prospect of development for developing countries;
- Assessment of efforts made by the private sector to use transparent and objective criteria for sovereign risk assessment;

[5] Resolution 55/2.

• An assessment of progress in the global information campaign stipulated the Monterrey Consensus[6] as well as its impact on generating awareness and additional resources to finance development;

2. *Decides* that the preparatory work and reports of the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization, as well as the preparatory process of the General Assembly high-level dialogue, would serve as inputs in the preparation of the comprehensive report, which would be presented on an annual basis to the General Assembly, under the agenda item on follow-up to the International Conference on Financing for Development, as well as to the biennial high-level dialogue of the General Assembly;

3. *Decides*, in this regard, that both the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions and the World Trade Organization and the consideration of the follow-up to the International Conference on Financing for Development would be considered as intermediary steps in preparation for the biennial high-level dialogue of the General Assembly.

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[6] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (E.02.II.A.7), chap. I, resolution 1, annex, para. 71.